

Howard P. Magaliff, Trustee  
335 Madison Avenue, 9<sup>th</sup> Floor  
New York, NY 10017  
646.453.7851

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 7
	:	
232 SEIGEL DEVELOPMENT LLC, <i>et al.</i> ,	:	Case No. 20-228444 (RDD)
	:	
Debtors. <sup>1</sup>	:	Jointly Administered
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**APPLICATION FOR ORDER AUTHORIZING THE TRUSTEE TO  
RETAIN RICH MICHAELSON MAGALIFF, LLP AS HIS ATTORNEYS**

TO THE HONORABLE ROBERT D. DRAIN,  
UNITED STATES BANKRUPTCY JUDGE:

Howard P. Magaliff, the chapter 7 interim trustee (the “Trustee”) of the estate of the above-named Debtors, respectfully states:

1. On June 14, 2020 232 (the “Petition Date”), 232 Seigel Development LLC (“Development”) and 232 Seigel Acquisition LLC (“Acquisition” and together with Development, the “Debtors”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. Development initially filed under subchapter 5 of chapter 11, and subsequently amended its petition to remove the subchapter 5 election.

2. By Order dated October 15, 2021 [doc. 160] (the “Conversion Order”), the Court converted the Debtors’ chapter 11 cases to cases under chapter 7 of the Bankruptcy Code. Applicant was appointed as the chapter 7 interim trustee of the Debtors, and has accepted his appointment, duly qualified and is acting as the trustee.

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<sup>1</sup> The Debtors in these chapter 7 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: 232 Seigel Development LLC (0108) and 232 Seigel Acquisition LLC (9782).

3. Acquisition is the owner of real property located at 232 Seigel Street, Brooklyn, NY (the “Property”). According to the Debtors’ chapter 11 joint disclosure statement, the Property is an assemblage of properties with approved plans to develop full-service hotel with 150 rooms with amenities, community space, parking and other features. Development is the sole member of Acquisition.

4. At the time of filing, Acquisition was in contract to sell the Property to 232 Seigel Property, LLC for \$18,000,000. The Debtors intended to complete the sale of the Property to implement and fund their plan of reorganization. The cases converted prior to confirmation.

5. This Application is submitted pursuant to sections 327(a) and (d) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rule 2014-1 for an order authorizing the Trustee to retain the law firm of Rich Michaelson Magaliff, LLP (“R3M”) as his attorneys in connection with the administration of the case.

6. Professional legal services required on behalf of the Trustee and the estate include, but are not limited to:

- a. Assessing the value of the Property and related liens, and if there is value for creditors, marketing and selling the Property;
- b. Investigating potential avoidable transfers including to insiders, and commencing appropriate actions to recover assets and other contested matters, if any;
- c. Assisting the Trustee to identify, marshal and liquidate the assets of the Debtor and property of the estate;
- d. Investigating the financial affairs of the Debtors;
- e. Initiating and litigating objections to claims if a purpose would be served; and
- f. All other services that the Trustee considers necessary to fulfill his statutory and fiduciary duties.

7. The Trustee seeks to retain R3M to provide these services because the firm's attorneys have considerable experience in matters of this nature and have represented parties in interest including trustees, debtors, and secured and unsecured creditors in numerous bankruptcy cases.

8. The attorneys at R3M are admitted to practice before this Court and are qualified to act as the Trustee's attorneys, as more particularly set forth in the Declaration of Howard P. Magaliff, a member of R3M, attached as Exhibit 1. To the best of the Trustee's knowledge and except as set forth below and as otherwise disclosed in the Declaration, (i) R3M does not hold or represent any interest adverse to the Trustee with respect to the matters for which it is being retained; (ii) R3M is a "disinterested person" as that phrase is defined in section 101(14) of the Bankruptcy Code; (iii) neither R3M nor its professionals have any connection with the Debtors, the estate, or creditors; and (iv) R3M's employment is necessary and in the best interests of the estate.

9. R3M will be employed under a general retainer. R3M will charge its customary billing rates for services rendered subject to approval of this Court in accordance with sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules and any orders of the Bankruptcy Court. The current hourly rates of R3M's attorneys range from \$675 to \$725, the paralegal rate is \$310, and the law clerk rate is \$200. These rates are reviewed and may be adjusted in January of each year. R3M will advise the Trustee, the Court and the United States Trustee in writing of any rate change during the course of this engagement. In addition, R3M will seek reimbursement for actual and necessary expenses incurred in connection with its professional services. R3M will not share any fees it earns other than as permitted by section 504 of the Bankruptcy Code.

10. Notice of this Application has been given to the Office of the United States Trustee.

11. No previous application has been made for the relief requested.

**WHEREFORE**, the Trustee respectfully requests that he be authorized to retain R3M as his attorneys in this case, and that the Court enter the proposed order in the form attached as Exhibit 2, together with such other and further relief as is appropriate.

Dated: New York, New York  
October 19, 2021

/s/ Howard P. Magaliff  
Howard P. Magaliff, Trustee  
335 Madison Avenue, 9<sup>th</sup> Floor  
New York, NY 10017  
646.453.7851  
*trustee@r3mlaw.com*

**EXHIBIT 1**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	: Chapter 7
	:
232 SEIGEL DEVELOPMENT LLC, <i>et al.</i> ,	: Case No. 20-228444 (RDD)
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Debtors. <sup>1</sup>	: Jointly Administered
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I, Howard P. Magaliff, declare pursuant to 28 U.S.C. § 1746 that the following is true to the best of my knowledge, information and belief:

1. I am a partner of Rich Michaelson Magaliff, LLP (“R3M”), located at 335 Madison Avenue, 9<sup>th</sup> Floor, New York, NY. I am a member in good standing of the Bar of the State of New York and admitted to practice in the Southern District of New York.

2. To the best of my knowledge, the attorneys of R3M have no connection with the Debtor or any creditors in this case. R3M does not represent any interest adverse to that of the Trustee or the estate in the matters upon which it is to be engaged. R3M, while employed by Trustee, will not represent any individual creditor in any capacity in connection with the case.

3. Because of the foregoing, I believe that the attorneys of R3M are disinterested persons, and the firm is disinterested. I know of no reason why R3M cannot act as counsel to the Trustee in this case.

4. Consistent with the standards of sections 330 and 331 of the Bankruptcy Code, R3M will seek compensation at its customary hourly billing rates, which currently range from \$200 to \$725. Our rates are reviewed and may be adjusted in January of each year. R3M will advise the Trustee, the Court and the United States Trustee in writing of any rate change during the course of this engagement. In addition, R3M will seek reimbursement for actual and

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<sup>1</sup> The Debtors in these chapter 7 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: 232 Seigel Development LLC (0108) and 232 Seigel Acquisition LLC (9782).

necessary expenses incurred in connection with its professional services. R3M will not share any fees it earns other than as permitted by section 504 of the Bankruptcy Code.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: New York, New York  
October 19, 2021

/s/ Howard P. Magaliff  
Howard P. Magaliff

**EXHIBIT 2**



UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 7
	:	
232 SEIGEL DEVELOPMENT LLC, <i>et al.</i> ,	:	Case No. 20-228444 (RDD)
	:	
Debtors. <sup>1</sup>	:	Jointly Administered
-----X		

**ORDER AUTHORIZING THE TRUSTEE TO RETAIN  
RICH MICHAELSON MAGALIFF, LLP AS HIS ATTORNEYS**

Upon the application (the “Application”) dated October 19, 2021 of Howard P. Magaliff, the chapter 7 interim trustee (the “Trustee”) of the estate of the above-named Debtor, for authority to retain the law firm of Rich Michaelson Magaliff, LLP (“R3M”) as his attorneys in connection with the administration of the case pursuant to sections 327(a) and (d) of the Bankruptcy Code, Rule 2014 of the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rule 2014-1; and upon the Declaration of Howard P. Magaliff submitted in compliance with the Local Rules of this Court; and it appearing that R3M is disinterested within the meaning of section 101(14) of the Bankruptcy Code and that R3M does not represent any interest adverse to the estate; and notice being adequate and sufficient; and the United States Trustee having no objection to the entry of this Order; and sufficient cause appearing, it is

**ORDERED** that the Application is granted as set forth herein; and it is further

**ORDERED** that, pursuant to 11 U.S.C §§ 327(a) and (d), the Trustee is authorized to retain the law firm of Rich Michaelson Magaliff, LLP as his attorneys in this case; and it is further

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<sup>1</sup> The Debtors in these chapter 7 cases and the last four digits of each Debtor’s taxpayer identification number are as follows: 232 Seigel Development LLC (0108) and 232 Seigel Acquisition LLC (9782).

**ORDERED** that the compensation and reimbursement of expenses of R3M shall be sought upon, and paid only upon an order granting, a proper application pursuant to sections 330 and 331 of the Bankruptcy Code, as the case may be, and the applicable Bankruptcy Rules, Local Rules and fee and expense guidelines and orders of this Court; and it is further

**ORDERED** that R3M shall advise the Trustee, the Court and the United States Trustee in writing of any rate change during the course of this engagement; and it is further

**ORDERED** that the Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order; and it is further

**ORDERED** that if there is any inconsistency between the terms of this Order, the Application, and the supporting Declaration, the terms of this Order shall govern.

Dated: White Plains, New York  
October \_\_, 2021

\_\_\_\_\_  
Hon. Robert D. Drain  
United States Bankruptcy Judge

**NO OBJECTION:**  
William K. Harrington  
United States Trustee  
By:

/s/ Paul Schwartzberg  
Paul Schwartzberg, Trial Attorney  
Dated: October 19, 2021